



June 24, 2013

**VIA OVERNIGHT MAIL AND EMAIL**

Bill Reichhold  
U.S. Nuclear Regulatory Agency, Region III  
2443 Warrenville Road, Suite 210  
Lisle, IL 60532-4352

**INFORMATIONAL FILING**

Re: Consummation of Transaction Pursuant to Application of Escanaba Paper Company, a subsidiary of NewPage Corporation, for Consent to Indirect Change of Control with Respect to Radiological Materials License dated November 30, 2012, as supplemented December 6, 2012.

Dear Mr. Reichhold:

On November 30, 2012, as supplemented on December 6, 2012, Escanaba Paper Company ("Licensee") filed with the U.S. Nuclear Regulatory Agency, Region III the Application of Escanaba Paper Company for Consent to Indirect Change of Control ("Application") with respect to radiological materials licenses issued under U.S. Nuclear Regulatory Agency, Region III and identified in Exhibit A to the Application ("License"). The U.S. Nuclear Regulatory Agency, Region III approved the Application on December 11, 2012 ("Transaction Approval Letter").<sup>1</sup>

The purpose of this informational filing is to notify the U.S. Nuclear Regulatory Agency, Region III that the Transaction (as defined below) for which approval was sought in the Application has been fully consummated and to provide an updated Exhibit B-2 to the Application. Exhibit B-2 is a diagram reflecting the post-closing corporate organization of NewPage Holdings, Inc. ("NewPage Holdings"), the indirect parent company of Licensee.<sup>2</sup> Exhibit B-2 has been updated to reflect certain non-material changes from the circumstances described in the Application, none of which (i) affect the Licensee, its operations, the License, or control over licensed materials under the License, or (ii) result in a direct or indirect change in control over the Licensee.

**Background**

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<sup>1</sup> December 11, 2012 U.S. Nuclear Regulatory Agency, Region III approval letter.

<sup>2</sup> At the time the Application was submitted, NewPage Holdings had not yet been formed or named. As a result, in the Application NewPage Holdings was referred to as "New Holdco."

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NewPage Corporation  
8540 Gander Creek Dr., Miamisburg, OH 45342 t: 877 855 7243 f: 937 242 9500

The Application was filed in conjunction with an amended reorganization plan ("Plan") for the emergence of Licensee and a number of its affiliates from bankruptcy.<sup>3</sup> Under the Plan, the holders of first lien notes issued by Licensee's parent company, NewPage Corporation ("NewPage"), were to (i) receive distributions of the common stock of NewPage in satisfaction of their secured claims, and (ii) exchange such stock for the common stock of a newly-formed holding company, *i.e.*, NewPage Holdings, that would own 100% of the common stock of NewPage (such distributions and exchanges the "Transaction"). Following consummation of the Transaction, the first lien noteholders in NewPage would own all of the stock of NewPage Holdings.

The first lien noteholders who were ultimately to receive the stock of NewPage Holdings pursuant to the Transaction consisted for the most part of investment funds and accounts. Of the first lien noteholders, the Application identified three groups, the GS Funds, the JPM Clients and the Oaktree Funds (each as defined in the Application), that were expected to hold 10% or more of the stock of NewPage Holdings after consummation of the Plan. The Plan was approved by the bankruptcy court on December 14, 2012 and became effective on December 21, 2012,<sup>4</sup> after the issuance of certain necessary approvals by the Federal Energy Regulatory Commission ("FERC").

#### Notice of Non-Material Changes

NewPage, on behalf of itself and its subsidiary Escanaba Paper Company, the Licensee, advises U.S. Nuclear Regulatory Agency, Region III of three non-material differences between current circumstances and those described in the Application:

(i) *Insertion of Intermediate Holding Company*

As described in the Application, the Transaction contemplated NewPage Holdings directly owning all of the stock in NewPage, Licensee's parent. However, under the Plan as consummated an intermediate holding company, NewPage Investment Company LLC ("NewPage Investment") was inserted between NewPage Holdings and NewPage. This change has no effect on the licensed activities, personnel or operations of Escanaba Paper Company. NewPage Investment is wholly-owned by NewPage Holdings and in turn wholly-owns NewPage. Thus, NewPage and Escanaba Paper Company are indirect, wholly-owned subsidiaries of NewPage Holdings, in each case as otherwise described in the Application. Finally, Escanaba Paper Company remains the Licensee under the License with responsibility for, and control over, all activities under the License.

(ii) *Additional Holders of 10% or more of NewPage Holdings Stock*  
and

(iii) *FERC Authorizations to Acquire up to 20% of NewPage Holdings Stock*

At the time the Application was filed it was believed that only three separate investment groups - the GS Funds, JPM Clients and Oaktree Funds - held amounts of first lien notes in NewPage that would cause them to receive 10% or more of the stock of NewPage Holdings pursuant to the Plan. However, shortly after the approval of the Plan NewPage learned that two additional investment groups - investment funds within the control group of Centerbridge Partners, L.P. ("Centerbridge Funds") and

<sup>3</sup> Materials relating to the Chapter 11 proceedings of NewPage and certain of its affiliates are available at <http://www.kccllc.net/newpage>. The Plan was approved by the United States Bankruptcy Court for the District Court of Delaware pursuant to Chapter 11 of the United States Code (11 U.S.C. §§ 101, *et seq.*) on December 14. The effective date of the Plan occurred on December 21, 2012.

<sup>4</sup> *See supra* note 3.

investment funds managed and controlled by investment management subsidiaries of Franklin Resources, Inc. (the "*Franklin Funds*") - held first lien notes of NewPage that would entitle them to receive 10% or more of stock in NewPage Holdings. Pursuant to the Plan the excess amounts of NewPage Holdings stock to be distributed to Centerbridge and the Franklin Funds were held in escrow pending FERC approval. FERC subsequently approved distributions of escrowed shares that would bring Centerbridge's holdings of NewPage Holdings stock to approximately 10.04 % on February 27, 2013 ("*February 27 FERC Order*")<sup>5</sup> and bring the Franklin Funds' holdings of NewPage Holdings stock to approximately 14.3 % on May 16, 2013 ("*May 16 FERC Order*").<sup>6</sup> The distribution of the Centerbridge Funds' escrowed shares closed on March 8, 2013, and the distribution of the Franklin Funds' escrowed shares closed on June 7, 2013.

The February 27 FERC Order, in addition to approving the Centerbridge Funds' request to increase their ownership of NewPage Holdings above 10%, also approved a request by each of the Centerbridge Funds, the GS Funds, the JPM Clients, and the Oaktrees Funds for authorization to acquire up to 20% of the stock of NewPage Holdings through trading activities for a three year period. The May 16 FERC Order extended this same authorization to the Franklin Funds. Under the authorizations, each investment group is required to file a quarterly report with FERC identifying its percentage ownership of NewPage Holdings stock.

Neither the addition of two new investment groups owning 10% or more of NewPage Holdings stock (i.e. Centerbridge Funds and Franklin Funds) nor the authorization for each of the five investment groups to acquire up to 20% of NewPage Holdings stock has resulted or will result in a change in control over NewPage Holdings beyond that already contemplated and approved by the Transaction Approval Letter. Neither of the two changes alters New Page Holdings' indirect, or Licensee's direct, control over the License; neither alters the well dispersed ownership of NewPage Holdings among the former first lien noteholders of NewPage. NewPage Holdings through NewPage Investment and NewPage will continue to maintain control over Licensee. The investors in each of the GS Funds, JPM Clients, Oaktree Funds, Centerbridge Funds and Franklin Funds are passive. Further, the investment managers who control each investment group are unaffiliated with each other. As a result, the GS Funds, JPM Clients, Oaktree Funds, Centerbridge Funds and the Franklin Funds can each only exercise (directly or indirectly) at any given time between 10% and 20% of the voting rights in NewPage Holdings. Given that no other former first lien noteholders own more than 10% of the stock of NewPage Holdings and that the ownership of NewPage Holdings stock is otherwise well dispersed, neither the GS Funds, JPM Clients, Oaktree Funds, Centerbridge Funds, Franklin Funds, any other former first lien noteholder, nor any entity managing or controlling a former first lien noteholder is able to control NewPage Holdings, NewPage Investment, NewPage or Licensee.

As noted above, the Transaction has been fully consummated as contemplated and approved by the Transaction Approval Letter. Consistent with the authorization granted under the Transaction Approval Letter, the Transaction and the additional circumstances described in this letter have not resulted in any change to Licensee's corporate identity or structure, key operating personnel or licensed activities. Further, Licensee remains a U.S. company, continues to be headquartered at the same location, and continues to be the holder of the License. Licensee remains technically and financially qualified as the Licensee and continues to fulfill all Licensee responsibilities as required under the

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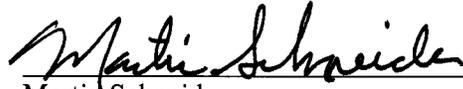
<sup>5</sup> See *NewPage Utilities*, 142 FERC 62,161 (2013), as modified by errata Letter Order in docket EC13-69 dated March 11, 2013.

<sup>6</sup> See *NewPage Utilities, et al*, 143 FERC 62,121 (2013).

Commission's regulations. Current Licensee employees responsible for licensed materials and activities under the License continue to be responsible for such materials and activities.

Should you have any questions regarding this informational notice, please feel free to contact me.

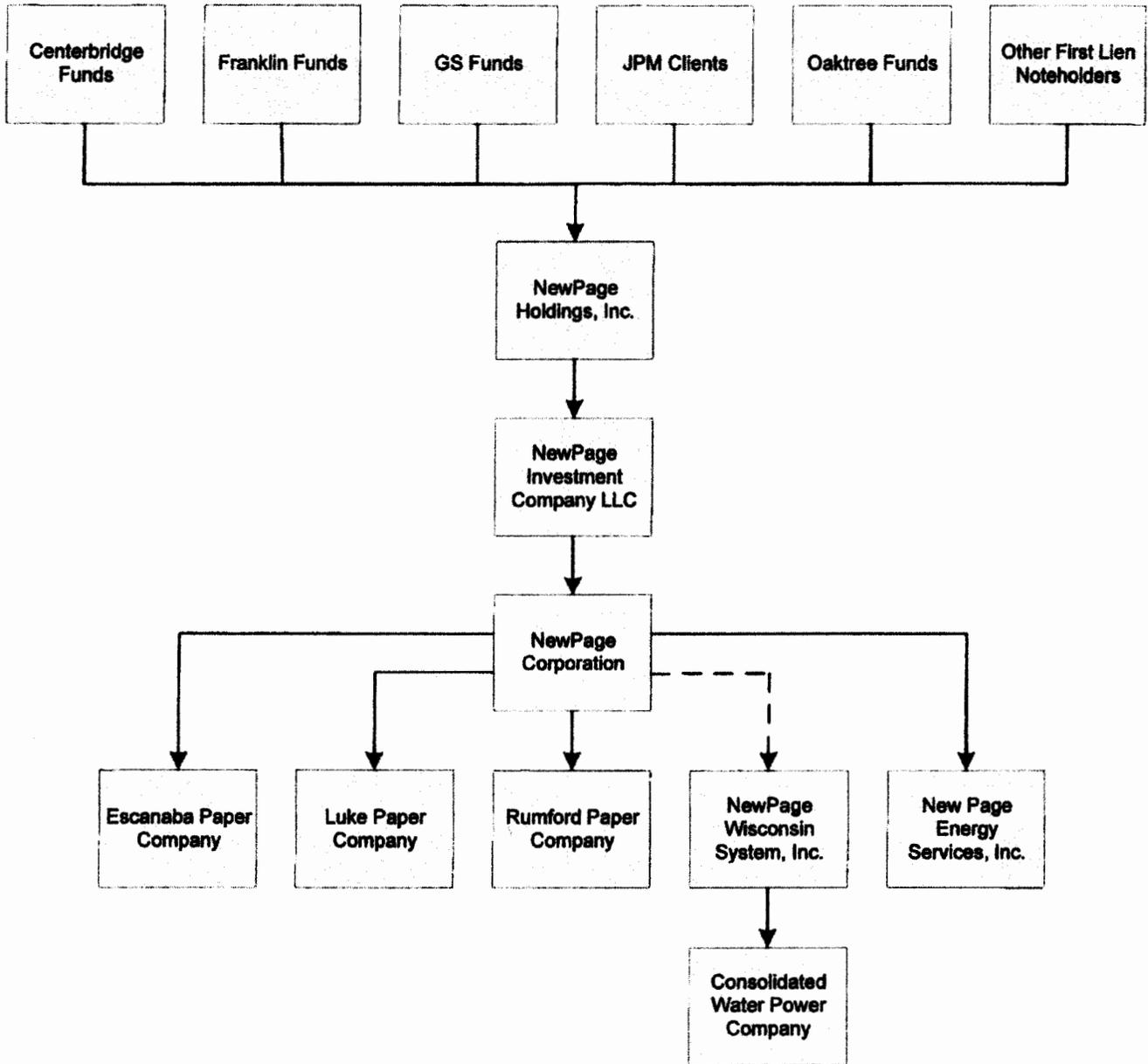
Regards,

  
\_\_\_\_\_  
Martin Schneider  
Corporate Radiation Safety Officer

Cc: Roger Rouleau, EPC Mill Manager  
Darren Hendon, EPC RSO  
Athán Vinolus

# EXHIBIT B-2

## Organization Chart: After Transaction



- - - - -> = Indirect Ownership

From: (937) 242-9095  
Mailroom  
NewPage  
8540 Gander Creek Dr  
  
Miamisburg, OH 45342

Origin ID: MWOA



Ship Date: 27JUN13  
ActWgt: 1.0 LB  
CAD: 7621264/INET3370

Delivery Address Bar Code



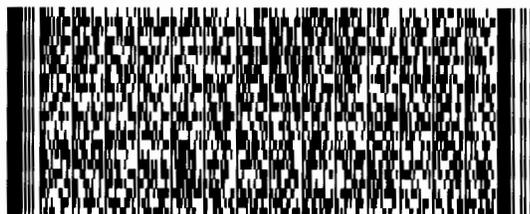
**SHIP TO: (937) 242-9345** **BILL SENDER**  
**Bill Reichhold**  
**U.S.Nuclear Regulatory Agency,**  
**2443 Warrenville Rd.**  
**Suite 210**  
**LISLE, IL 60532**

Ref #  
Invoice #  
PO #  
Dept #

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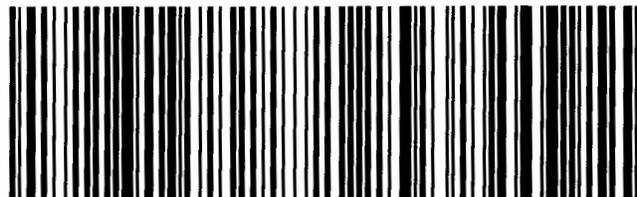
**FRI - 28 JUN 10:30A**  
**PRIORITY OVERNIGHT**

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